



**For Immediate Release
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HOSPITAL ORGANIZATIONS AT RISK OF LOSING TAX-EXEMPT STATUS

Jerome Horton, Chairman of the Board of Equalization, which oversees the welfare exemption for hospitals and other organizations, has announced that the Internal Revenue Service has issued temporary and proposed regulations for charitable hospital organizations on how to report any excise taxes for failing to meet the community health needs assessment requirements of the Affordable Care Act.

The temporary regulations state that a charitable hospital organization, liable for the excise tax under Section 4959 of the Tax Code, must file a return on Form 4720, Return of Certain Excise Taxes under Chapters 41 and 42 of the Internal Revenue Code. The form must be filed by the 15th day of the fifth month after the end of the charitable hospital organization's tax year, during which the liability was incurred.

Under the Affordable Care Act, hospital organizations that want to remain or become tax-exempt are required to periodically perform a community needs health assessment, and adopt an implementation strategy, at least once every three years. They also need to establish a written financial assistance policy and emergency medical care policies. They are expected to limit the charges for emergency room visits or other medically necessary care for individuals who are eligible for assistance under the hospital's financial assistance policy. They also are expected to make reasonable efforts to determine whether an individual is eligible for assistance under the hospital's financial assistance policy before engaging in extraordinary collection actions against the individual.

The proposed regulations provide that written or electronic comments and requests for a public hearing must be received by Nov. 13, 2013.

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Elected in 2010, Chairman Jerome E. Horton is the Fourth District Member of the California State Board of Equalization, representing more than 8.5 million residents in Los Angeles County. He is also the Board of Equalization's Legislative Committee Chairman. He is the first to serve on the Board of Equalization with over 21 years of experience at the BOE. Horton previously served as an Assembly Member of the California State Assembly from 2000-2006.

The five-member California State Board of Equalization is a publicly elected tax board. The Board of Equalization collects more than \$53.7 billion annually in taxes and fees supporting state and local government services. It hears business tax appeals, acts as the appellate body for franchise and personal income tax appeals, and serves a significant role in the assessment and administration of property taxes. For more information on other taxes and fees in California, visit www.taxes.ca.gov.

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